

**CONTRACT #12**  
**RFS # 318.65-080**  
**FA # 03-15069-00**

**Finance & Administration**  
**Bureau of TennCare**

**VENDOR:**  
**Electronic Data Systems**  
**Corporation and EDS**  
**Information Services, LLC**

## REQUEST: NON-COMPETITIVE AMENDMENT

APPROVED

RECEIVED

SEP 26 2008

FISCAL REVIEW

Commissioner of Finance &amp; Administration

Date:

EACH REQUEST ITEM BELOW MUST BE DETAILED OR ADDRESSED AS REQUIRED

1) RFS #	318.65-080	
2) State Agency Name :	Department of Finance and Administration, Bureau of TennCare	
EXISTING CONTRACT INFORMATION		
3) Service Caption :	Development, Implementation and Replacement of TennCare Management Information System	
4) Contractor :	Electronic Data Systems Corporation and EDS Information Services, LLC	
5) Contract #	FA-03-15069-00	
6) Contract Start Date :	August 12, 2002	
7) <u>Current</u> Contract End Date IF <u>all</u> Options to Extend the Contract are Exercised :	December 31, 2008	
8) <u>Current</u> Total Maximum Cost IF <u>all</u> Options to Extend the Contract are Exercised :	\$113,095,118.35	
PROPOSED AMENDMENT INFORMATION		
9) <u>Proposed</u> Amendment #	7	
10) <u>Proposed</u> Amendment Effective Date : (attached explanation required if date is < 60 days after F&A receipt)	January 1, 2009	
11) <u>Proposed</u> Contract End Date IF <u>all</u> Options to Extend the Contract are Exercised :	March 31, 2009	
12) <u>Proposed</u> Total Maximum Cost IF <u>all</u> Options to Extend the Contract are Exercised :	\$128,173,649.35	
13) Approval Criteria : (select one)	<input checked="checked" type="checkbox"/> use of Non-Competitive Negotiation is in the best interest of the state <input type="checkbox"/> only one uniquely qualified service provider able to provide the service	
14) Description of the Proposed Amendment Effects & Any Additional Service :		
This amendment extends the current Facility Management of the TCMIS contract term for an additional three months to allow the new competitively identified contractor sufficient time to assume transition of services. These services include all of the daily operational components required to provide Medicare/Medicaid and Fee for service health care to the 1.1 million Tennessee residents enrolled in TennCare. The requested term extension and supporting funding is necessary to maintain these services to TennCare enrollees during this transition period.		

**15) Explanation of Need for the Proposed Amendment :**

The Bureau of TennCare released a Request for Proposal to identify a contractor to to assume TennCare Management Information System (TCMIS), with actual assumption of duties to begin January 1, 2009. Ultimately a new contractor was identified, however one of the unsuccessful proposers filed a protest with the State. This protest was determined to be unfounded, allowing TennCare to move forward with awarding the contract, however, the protest resulted in lengthy delays that prolonged the date that the new contractor will be transitioned into the system and capable of assuming full operational capabilities of TCMIS. As a result, the current contractor will need to continue in their role for an additional three months to totally allow for complete transition.

**16) Name & Address of Contractor's Current Principal Owner(s) :**

(not required if proposed contractor is a state education institution)

Electronic Data Systems Corporation and EDS Information Service, L.L.C. ("EIS"), 5400 Legacy Drive, Plan, Texas 75024

**17) Documentation of Office for Information Resources Endorsement :**

(required only if the subject service involves information technology; N/A to THDA requests)

select one:

☐

Documentation Not Applicable to this Request

**X**

Documentation Attached to this Request

**18) Documentation of Department of Personnel Endorsement :**

(required only if the subject service involves training for state employees)

select one:

**X**

Documentation Not Applicable to this Request

☐

Documentation Attached to this Request

**19) Documentation of State Architect Endorsement :**

(required only if the subject service involves construction or real property related services)

select one:

**X**

Documentation Not Applicable to this Request

☐

Documentation Attached to this Request

**20) Description of Procuring Agency Efforts to Identify Reasonable, Competitive, Procurement Alternatives :**

The current TCMIS contract is a competitively awarded contract. This amendment extends term and provides funding for sufficient time to allow new competitively identified contractor to assume all duties associated with TCMIS services.

**21) Justification for the Proposed Non-Competitive Amendment :**

Electronic Data Systems is a competitively bid contract that is being replaced by new contractor. This amendment extends term for three months to allow new competitively identified contractor to assume all duties associated with TCMIS services. The Bureau of TennCare would appreciate favorable consideration by the Department of Finance and Administration.

**REQUESTING AGENCY HEAD SIGNATURE & DATE :**

(must be signed & dated by the ACTUAL procuring agency head as detailed on the Signature Certification on file with OCR— signature by an authorized signatory will be accepted only in documented exigent circumstances)

Agency Head Signature

Date

# C O N T R A C T   S U M M A R Y   S H E E T

<b>RFS Number:</b>	318.65-080	<b>Contract Number:</b>	FA-03-15069-07
<b>State Agency:</b>	Department of Finance and Administration	<b>Division:</b>	Bureau of TennCare

<b>Contractor</b>	<b>Contractor Identification Number</b>
Electronic Data Systems Corporation and EDS Information Services, L.L.C. (EIS)	<div style="display: flex; align-items: center;"> <div style="border: 1px solid black; padding: 2px; margin-right: 5px;">X</div> <div style="border: 1px solid black; padding: 2px; margin-right: 5px;">V-</div> <div style="border: 1px solid black; padding: 2px;">C-</div> </div> <div style="margin-left: 10px;">752548221 06</div>

<b>Service Description</b>
Development, Implementation and Replacement TennCare Management Information System (TCMIS) –

<b>Contract Begin Date</b>	<b>Contract End Date</b>
08/12/2002	12/31/2008

<b>Allotment Code</b>	<b>Cost Center</b>	<b>Object Code</b>	<b>Fund</b>	<b>Grant</b>	<b>Grant Code</b>	<b>Subgrant Code</b>
318.65	See Attached	083	11	X on STARS		

FY	State Funds	Federal Funds	Interdepartmental Funds	Other Funding	Total Contract Amount (including ALL amendments)
2003	\$1,732,924.21	\$15,596,317.85			\$17,329,242.06
2004	\$2,774,088.71	\$8,322,266.13			\$11,096,354.84
2005	\$3,693,977.31	\$11,081,931.93			\$14,775,909.24
2006	\$4,678,875.48	\$14,036,626.43			\$18,715,501.91
2007	\$5,456,456.74	\$17,278,779.65			\$22,735,236.43
2008	\$5,664,215.77	\$16,992,642.00			\$22,656,857.77
2009	\$5,216,136.77	\$15,648,410.33			\$20,864,547.10
<b>Total:</b>	<b>\$29,244,887.08</b>	<b>\$98,928,762.27</b>			<b>\$128,173,649.35</b>

<b>CFDA #</b>	93.778 Dept. of Health & Human Services/Title XIX	<b>Check the box ONLY if the answer is YES:</b>
---------------	---	---

<b>State Fiscal Contact</b>		<b>Is the Contractor a SUBRECIPIENT? (per OMB A-133)</b>
<b>Name:</b>	Scott Pierce	<b>Is the Contractor a VENDOR? (per OMB A-133)</b>
<b>Address:</b>	310 Great Circle Road Nashville, TN	
<b>Phone:</b>	(615) 507-6415	<b>Is the Fiscal Year Funding STRICTLY LIMITED?</b>
<b>Procuring Agency Budget Officer Approval Signature</b>		<b>Is the Contractor on STARS?</b>
		<b>Is the Contractor's FORM W-9 ATTACHED?</b>
		<b>Is the Contractors Form W-9 Filed with Accounts?</b>

COMPLETE FOR ALL AMENDMENTS (only)			Funding Certification
	Base Contract & Prior Amendments	This Amendment ONLY	
<b>END DATE →</b>	12/31/2008	03/31/2009	Pursuant to T.C.A., Section 9-6-113, I, M. D. Goetz, Jr., Commissioner of Finance and Administration, do hereby certify that there is a balance in the appropriation from which this obligation is required to be paid that is not otherwise encumbered to pay obligations previously incurred.
FY: 2003	\$17,329,242.06		
FY: 2004	\$11,096,354.84		
FY: 2005	\$14,775,909.24		
FY: 2006	\$18,715,501.91		
FY: 2007	\$22,735,236.43		
FY: 2008	\$22,656,857.77		
FY: 2009	\$5,786,016.10	\$15,078,531.00	
<b>Total:</b>	<b>\$113,095,118.35</b>	<b>\$15,078,531.00</b>	

# CONTRACT SUMMARY SHEET SUPPLEMENT

<b>Contract Number</b>	FA-03-15069-00
<b>Fiscal Year</b>	2009

[illegible]

**AMENDMENT NO 7  
TO CONTRACT  
FA-03-15069-00  
BETWEEN THE STATE OF TENNESSEE,  
DEPARTMENT OF FINANCE AND ADMINISTRATION  
TENNCARE BUREAU  
AND  
Electronic Data Systems, L. L. C.**

This Contract, by and between the State of Tennessee, Department of Finance and Administration, Bureau of TennCare, hereinafter referred to as the **State** and Electronic Data Systems Corporation, L.L.C. (As successor in interest to **Electronic Data Systems Corporation and EDS Information Services, L.L.C.**) hereinafter referred to as the **Contractor** is hereby amended as follows:

**1. Amend Section B of Contract by deleting it in its entirety and substituting with the following:**

**B. CONTRACT TERM:**

**B.1** Contract Term. This Contract shall be effective for the period commencing on August 12, 2002, and ending on March 31, 2009. The State shall have no obligation for services rendered by the Contractor which are not performed within the specified period.

**B.2** Term Extension. The State reserves the right to extend this Contract for the period provided in B.2.1 or B.2.2 below provided that the State notifies the Contractor in writing of its intention to do so at least one hundred twenty (120) days prior to the contract expiration date. An extension of the term of this Contract will be effected through an amendment to the Contract. If the extension of the Contract necessitates additional funding beyond that which was included in the original Contract, the increase in the State's maximum liability will also be effected through an amendment to the Contract and shall be based upon rates provided for in the original contract.

The State may exercise either or both of the following options for extension.

If the State elects to exercise both options, the Full Service Extension Option period will precede the Special Projects Extension Option period.

**B.2.1 Full Service Extension Option**

This option extends all of the contractual scope of work, associated performance standards, and payment schedules for one additional three (3) month period.

**B.2.2 Special Projects Extension Option**

This option extends only staff augmentation for one additional nine (9) month period. This option may be exercised instead of the Full Service Extension Option (for period April 1, 2009 through December 31, 2009) or subsequent to the Full Service Extension Option (for period July 1, 2009 through March 31, 2010). Only the scope of work, performance standards, and pricing schedules associated with Special Projects Staffing shall apply during this extension option. All other scope of work, performance standards and pricing schedules shall not apply. The Performance Bond referenced in Attachment 9.6 shall not be required during this option period.

**2. Add New Section B.9.6. to Attachment G as follows**

**B.9.6 Turnover Implications to Performance Standards**

Upon the commencement of the Contractor's Turnover of work in process in accordance with the Turnover Plan, the contractual performance requirements and liquidated damages associated with that work in process will cease to apply starting at the commencement of such Turnover.

**3. Amend Section C.1.1 of the Contract by deleting it in its entirety and substituting with the following:**

In no event shall the maximum liability of the State under this Contract, and any and all amendments thereto exceed one hundred twenty eight million, one hundred seventy three thousand, six hundred forty nine dollars and thirty five cents (\$128,173,649.35) for professional services pursuant to this Contract (id.est., implementation Phase I, II and III, facilities manager services and maintenance staffing). The Service Rates in Section C.3 shall constitute the entire compensation due the Contractor for the service and all of the Contractor's obligations hereunder regardless of the difficulty, materials or equipment required. The Services Rates include, but are not limited to, all applicable taxes, fees, overheads, and all other direct and indirect costs incurred or to be incurred by the Contractor.

The Contractor is not entitled to be paid the maximum liability for any period under the Contract or any extensions of the Contract for work not requested by the State. The maximum liability represents available funds for payment of the Contractor and does not guarantee payment of any such funds to the Contractor under this Contract unless the State requests work and the Contractor performs said work. In which case, the Contractor shall be paid in accordance with the Service Rates detailed in Section C.3. The State is under no obligation to request work from the Contractor in any specific dollar amounts or to request any work at all from the Contractor during any period of this Contract.

**4. Amend Section C.3. of the Contract by deleting it in its entirety and substituting with the following:**

### C.3 Payment Methodology

Pass-Through Cost Payments -The State shall reimburse the Contractor for pass-through costs on the basis of actual cost. Pass-through costs shall not include any overhead, administrative, or other fee or commission. The Contractor shall invoice the State for a reimbursement of pass-through costs on a monthly basis, in addition to the regular invoice for professional services provided pursuant to this Contract. The monthly petition for reimbursement of pass-through costs shall include substantiating documentation.

Professional Service Payments - The State shall compensate the Contractor based on the Service Rates set forth herein for units of service authorized by the State in a total amount not to exceed the Contract Maximum Liability established in Section C.1. The pricing schedules for the authorized Professional Services are detailed in this Section C.3.

Hardware and software maintenance payments – The State may request the contractor purchase licenses or maintenance for hardware and software for the TCMIS. The State shall reimburse the Contractor for hardware and software products and maintenance purchased by request of the State based on the actual cost plus an administrative fee in the amount of twenty-one percent (21%) of the actual cost. The Contractor shall invoice the State for a reimbursement of maintenance costs on a monthly basis, in addition to the regular invoice for professional services provided pursuant to this Contract, and any and all amendments thereto. The monthly invoice for reimbursement of maintenance costs shall include reasonable substantiating documentation.

#### C.3.1 TCMIS Replacement DDI

TCMIS Replacement Design, Development, and Implementation compensation shall be based on the Milestone payments for each component of DDI Phase I, Phase II, and Phase III as detailed below for units of service authorized by the State. The Contractor shall submit monthly invoices, in form and substance agreed to with the State with reasonable supporting documentation necessary to verify the accuracy of the invoice, prior to any payment. Such invoices shall be submitted for project milestones for the amount stipulated, provided, however, that payment by the State to the Contractor does not indicate approval of such milestones, which may only be evidenced by a signed State approval letter for each deliverable. In the event that the milestone is never approved by the State because the Contractor failed to perform its obligations under this Contract, or any and all amendments thereto, the State does not waive any rights provided herein.

PHASE:	MILESTONE PAYMENT
<b>DDI PHASE I:</b>	
<b>Design Kick-off Phase</b> (3%of the grand total for DDI milestone payments)	\$ 595,578.10
<b>Design Phase</b> (3% of the grand total for DDI milestone payments)	\$ 595,578.10



<b>PHASE:</b>	<b>MILESTONE PAYMENT</b>
<b>Construction Phase</b> (1% of the grand total for DDI milestone payments)	\$ 171,864.28
<b>Acceptance Testing</b> (3% of the grand total for DDI milestone payments)	\$ 509,338.39
<b>Implementation</b> (4% of the grand total for DDI milestone payments)	\$ 764,007.59
<b>DDI PHASE II:</b>	
<b>Design Kick-off Phase</b> (7% of the grand total for DDI milestone payments)	\$ 1,379,410.48
<b>Design Phase</b> (21% of the grand total for DDI milestone payments)	\$ 4,057,067.41
<b>Construction Phase</b> (12% of the grand total for DDI milestone payments)	\$ 2,286,763.25
<b>Acceptance Testing</b> (12% of the grand total for DDI milestone payments)	\$ 2,286,763.25
<b>Implementation</b> (20% of the grand total for DDI milestone payments)	\$ 3,811,272.09
<b>DDI PHASE III</b>	
<b>Design Phase 2%</b>	\$ 233,226.67
<b>Construction Phase 1%</b>	\$ 131,458.05
<b>Acceptance Phase 1%</b>	\$ 131,458.05
<b>Implementation Phase 2%</b>	\$ 219,096.58
<b>TCMIS CERTIFICATION:</b>	
<b>TCMIS Certification for DDI Phase I, DDI Phase II and Phase III</b> (10% of the grand total for DDI milestone payments)	\$ 1,974,988.58
<b>GRAND TOTAL OF ALL DDI MILESTONE PAYMENTS:</b>	\$ 19,147,870.87

### C.3.2 Facilities Manager Services

**Facilities Manager Services** compensation shall be based on the Payment Amounts detailed below for units of service authorized by the State. The Contractor shall submit monthly invoices, in form and substance acceptable to the State with all of the necessary reasonable supporting documentation, prior to any payment. Said monthly invoices shall be in an amount equal to the maximum amount per period, detailed below, divided by the number of calendar months in the subject period (the divisor shall be twelve (12) after the first period of service).

If, for any reason, the Contractor does not fully meet the operational start date for the functionalities, as described in this Contract as amended by Amendment No. 2 and/or Amendment No. 3, for the Replacement TCMIS phases, and a contract amendment delaying this date or start-up of a portion of the processing requirements listed has not been approved or such delay is not otherwise excused, then the Contractor shall be liable for the reasonable excess costs incurred by the State to continue current operations as compared to the anticipated costs of operating the Replacement TCMIS.

<b>PERIOD OF FACILITIES MANAGER SERVICE</b>	<b>MAXIMUM AMOUNT PER PERIOD</b>
<b>Facilities Manager Services (contract section A.5)</b> start through 6/30/2003	\$ 123,333.34
<b>Facilities Manager Services (contract section A.5)</b> 7/1/2003—11/30/2003	\$ 433,333.33
<b>Facilities Manager Services (contract section A.5)</b> 12/1/2003—6/30/2004	\$ 6,753,297.78
<b>Facilities Manager Services (contract section A.5)</b> 7/1/2004—6/30/2005	\$ 11,086,848.00
<b>Facilities Manager Services (contract section A.5)</b> 7/1/2005—6/30/2006	\$ 10,916,409.00
<b>Facilities Manager Services (contract section A.5)</b> 7/1/2006—6/30/2007	\$ 10,812,801.00
<b>Facilities Manager Services (contract section A.5)</b> 7/1/2007—6/30/2008	\$ 9,826,047.90
<b>Facilities Manager Services (contract section A.5)</b> 7/1/2008—12/31/2008	\$ 5,158,675.15
<b>Facilities Manager Services (contract section A.5)</b> 1/1/2009—3/31/2009	\$ 2,693,400.00
<b>Facilities Manager Services (contract section A.5)</b> 4/1/2009—6/30/2009 – Open Period, Full Service Extension Option	\$ 2,626,965.00

Facilities Manager Services and the associated payment methodology are not applicable during the Special Projects Extension Option period.

### C.3.3 Medical Eligibility Services

**Medical Eligibility (ME) Services** (as described in Attachment B) compensation shall be based on Payment Amounts detailed below (Medical Eligibility Processing) for units of service authorized by the State. The Contractor shall submit monthly invoices, in form and substance acceptable to the State with all of the necessary supporting documentation, prior to any payment. Said monthly

invoices shall be in an amount equal to the maximum amount per period detailed below divided by the number of calendar months in the subject period (the divisor shall be twelve (12) after the first period of service). This payment schedule will end December 31, 2006.

<b>MEDICAL ELIGIBILITY PROCESSING</b>	<b>MAXIMUM AMOUNT PER PERIOD</b>
<b>ME Services</b> 7/1/2004 – 6/30/2005	\$ 1,415,499.00
<b>ME Services</b> 7/1/2005 – 6/30/2006	\$ 1,489,362.00
<b>ME Services</b> 7/1/2006 – 12/31/2006	\$ 787,124.00

Beginning January 1, 2007, **Medical Eligibility (ME) Services** compensation shall be based on a unit price detailed below (Medical Eligibility Processing) for units of service authorized by the State and shall include any costs associated with microfilm processing. The microfilm costs shall be a pass-through cost as evidenced by vendor invoices. The Contractor shall submit monthly invoices, in form and substance agreed to with the State with reasonable supporting documentation necessary to verify the accuracy of the invoice, prior to any payment. Said monthly invoices shall be in an amount equal to the number of units processed multiplied by the per unit charge. Should any material changes to the packet or processing requirements arise due to changes in the Bureau's policy or program, the State and the Contractor, by mutual agreement, will propose an amendment to this Contract.

Each packet has an individual Internal Control Number (ICN) which is an eleven digit number (YJJJMBBSSS), consisting of one digit for the year (Y), three digits for the Julian date of receipt (JJJ), one digit for the media code (M), three digits for the batch number (BBB), and three digits for the sequence number (SSS). An individual enrollee may have multiple packets. A unit is a packet with an unique ICN. The Contractor shall maintain copies of the packets.

<b>PERIOD OF ME PACKET TRANSACTIONS</b>	<b>FIXED FEE PER TRANSACTION</b>
<b>ME Packet Transactions</b> 1/1/2007 – 6/30/2007	\$ 16.00
<b>ME Packet Transactions</b> 7/1/2007 – 6/30/2008	\$ 16.00
<b>ME Packet Transactions</b> 7/1/2008 – 3/31/2009	\$ 16.00
<b>ME Packet Transactions</b> 4/1/2009 – 6/30/2009 – Open Period, Full Service Extension Option	\$ 16.00

ME Eligibility Services and the associated payment methodology are not applicable during the Special Projects Extension Option period.

#### C.3.4 MCO Address Change Services

**MCO Address Change Services** (as described in Attachment B) compensation shall be based on a unit price detailed below (MCO Address Change Transactions) for units of service authorized by the State. One unit of service is

defined as one request to change a recipient address. The Contractor shall submit monthly invoices, in form and substance agreed to with the State with reasonable supporting documentation necessary to verify the accuracy of the invoice, prior to any payment. Said monthly invoices shall be in an amount equal to the number of units manually processed by the Contractor multiplied by the per unit charge. Should any material changes to the MCO Address Change processing requirements arise due to changes in the Bureau's policy or program, the State and the Contractor, by mutual agreement, will propose an amendment to this Contract.

The Contractor shall process the MCO Address Change within five (5) business days of receipt.

<b>PERIOD OF MCO ADDRESS CHANGE TRANSACTIONS</b>	<b>FIXED FEE PER TRANSACTION</b>
<b>MCO Address Change Transactions</b> 1/1/2007 – 6/30/2007	\$ 1.34
<b>MCO Address Change Transactions</b> 7/1/2007 – 6/30/2008	\$ 1.36
<b>MCO Address Change Transactions</b> 7/1/2008 – 3/31/2009	\$ 1.43
<b>MCO Address Change Transactions</b> 4/1/2009 – 6/30/2009 – Open Period, Full Service Extension Option	\$ 1.43

MCO Address Change Services and the associated payment methodology are not applicable during the Special Projects Extension Option period.

#### C.3.5 Undeliverable Correspondence Services

**Undeliverable Correspondence Services** (as described in Attachment B) compensation shall be based on a unit price detailed below (Undeliverable Transactions) for units of service authorized by the State. The Contractor shall submit monthly invoices, in form and substance agreed to with the State with reasonable supporting documentation necessary to verify the accuracy of the invoice, prior to any payment. Said monthly invoices shall be in an amount equal to the number of units processed multiplied by the per unit charge. Should any material changes to the Undeliverable processing requirements arise due to changes in the Bureau's policy or program, the State and the Contractor, by mutual agreement, will propose an amendment to this Contract.

<b>PERIOD OF UNDELIVERABLE TRANSACTIONS</b>	<b>FIXED FEE PER TRANSACTION</b>
<b>Undeliverable Transactions</b> 1/1/2007 – 6/30/2007	\$ 0.63
<b>Undeliverable Transactions</b> 7/1/2007 – 6/30/2008	\$ 0.65
<b>Undeliverable Transactions</b> 7/1/2008 – 3/31/2009	\$ 0.68
<b>Undeliverable Transactions</b> 4/1/2009 – 6/30/2009 – Open Period, Full Service Extension Option	\$ 0.68
<b>Undeliverable Transactions</b> 4/1/2009 – 12/31/2009 – Open Period, Special Projects Option	NA

Undeliverable Correspondence Services and the associated payment methodology are not applicable during the Special Projects Extension Option period.

#### C.3.6. Modifications and Enhancement Staffing

**Modifications and Enhancement Staffing** compensation shall be based on the Payment Rates detailed below for units of service authorized by the State. The State shall compensate the Contractor for Change Order (Project Change Request) work based on the hourly rates below, subject to the total amount for each change request not to exceed the written estimate agreed upon by the State and the Contractor. The Contractor shall submit invoices no more often than monthly for completed work, in form and substance acceptable to the State with all of the necessary supporting documentation, prior to any payment. Such invoices shall, at a minimum, include the name of each individual, the individual's job title, the number of hours worked during the period, the applicable Payment Rate, the total compensation requested for the individual, and the total amount due the Contractor for the period requested.

All Systems/Project Change Requests submitted for implementation and approval must include timeframes, FTE hours, and any other needed resources which have been mutually agreed upon by the State and the Contractor. The Contractor is required to have State approval prior to beginning any work on a change request. Should the State or the Contractor determine that any changes in hours, resources or timeframes are needed, an amended change request must be submitted to the State for approval prior to the beginning of any new work, resources or timeframes being utilized.

The State shall continue to monitor the ongoing hourly cost of the System/Project Change Requests and will determine the appropriate number of FTEs needed to convert this function from an hourly to FTEs. Should it become apparent that it would be in the best interest of the State for the Contractor to add full-time staff for this function, the State and the Contractor, by mutual agreement, will negotiate an Amendment to this Contract.

Travel: The Contractor shall not be compensated for travel time to the primary location of service provision. However, the State agrees to reimburse the Project Manager for travel expenses relating to special projects as defined by the State and necessary to implement changes to the TennCare program regarding enrollment, eligibility, benefits or any other changes required by federal or state law, regulation or policy or by federal or state court order and as approved by the State. Compensation for travel expenses shall be in accordance with C.4 of this Contract, and any and all amendments thereto.

MODIFICATION ENHANCEMENT LABOR CATEGORY	HOURLY RATE Start – 6/30/2003	HOURLY RATE 7/1/2003 - 6/30/2004	HOURLY RATE 7/1/2004 – 6/30/2005	HOURLY RATE 7/1/2005 – 6/30/2006	HOURLY RATE 7/1/2006 – 12/31/2006	HOURLY RATE 1/1/2007 – 3/31/2009*
Senior Systems Analyst (10+ years)	\$ 87.28	\$ 89.37	\$ 91.52	\$ 93.72	\$ 95.97	NA
Systems Analyst (1-9 years)	\$ 84.63	\$ 86.66	\$ 88.74	\$ 90.87	\$ 93.05	NA
Programmer Analyst III (5 + years)	\$ 69.75	\$ 71.42	\$ 73.14	\$ 74.89	\$ 76.69	NA
Programmer Analyst II (2-4 years)	\$ 65.00	\$ 66.56	\$ 68.16	\$ 69.79	\$ 71.47	NA
Programmer Analyst I (0-1 years)	\$ 57.50	\$ 58.88	\$ 60.29	\$ 61.74	\$ 63.22	NA
Documentation Specialist	\$ 43.66	\$ 44.71	\$ 45.78	\$ 46.88	\$ 48.00	NA
Project Manager	NA	NA	\$ 144.84	\$ 150.81	\$ 158.15	NA
General Support Clerk	NA	NA	\$ 33.63	\$ 34.43	\$ 35.26	NA

\* Note: The Modifications and Enhancement Staffing pricing methodology and the A.5 performance requirements and liquidated damages associated with turnover rate of maintenance and user support staff cease effective December 31, 2006. This structure was replaced by the Systems Increased Staff pricing methodology, as outlined in C.3.g.

#### C.3.7 Systems Increased Staff

**Systems Increased Staff** compensation shall be based on the Payment Amounts detailed below (Systems Increased Staff Costs) for units of service authorized by the State. The Contractor shall submit monthly invoices, in form and substance acceptable to the State with all reasonable supporting documentation necessary to verify the accuracy of the invoice, prior to any payment. Said monthly invoices shall be in an amount equal to the maximum amount per period detailed in the Systems Increased Staff below, multiplied by the percentage of the Total Contract Period Hours provided during the month as detailed in Section B.8.2 of the Contract.

PERIOD OF SYSTEMS INCREASED STAFF COSTS	MAXIMUM AMOUNT PER PERIOD
Systems Team Support 1/1/2007 – 6/30/2007	\$ 3,374,800

<b>Systems Team Support</b> 7/1/2007 – 6/30/2008	\$ 6,506,800
<b>Systems Team Support</b> 7/1/2008 – 12/31/2008	\$ 3,416,400
<b>Systems Team Support</b> 1/1/2009 – 3/31/2009	\$ 2,190,000
<b>Systems Team Support</b> 4/1/2009 – 6/30/2009 – Open Period, Full Service Extension Option	\$ 2,190,000

Systems Increased Staff and the associated payment methodology are not applicable during the Special Projects Extension Option period.

Through December 31, 2008 (or through March 31, 2009 if the State elects to exercise the Full Service Extension Option), the State shall require retention of payment in the amount equal to fifteen percent (15%) of each monthly System Increased Staff invoice. This retention of payment shall be held until the satisfaction of quarterly deliverable objective(s), with new funds accruing for each set of quarterly deliverable(s). Each quarter will accrue a separate set of funds to be associated with a separate set of objective(s). Within forty-five (45) days in advance of each fiscal quarter, the State and the Contractor shall meet and mutually agree upon the primary deliverable(s), and the incentives for the next quarter, or any future quarter, to receive release on that quarter's retained payment. These primary deliverable(s) and objective(s) will be reviewed for completion based upon the attained delivery date. The primary deliverable(s) shall be tied to work being performed on projects prioritized by the State, and when set, reviewed as achievable based on existing and future project workload. Once set, these metrics and primary deliverable(s) shall be documented by control letter and cannot be changed without mutual agreement.

In addition, the State and the Contractor shall meet monthly to review the status towards fulfillment of the primary objective(s) and to mutually agree upon secondary deliverable(s) to be delivered within the quarter. No secondary deliverable(s) shall be assigned beyond day sixty (60) of the current quarter. When being set, consideration shall be given to the current work effort associated with the primary deliverable(s) and other assigned priority systems work. These secondary deliverable(s) objective(s) shall be reviewed for completion based upon the attained delivery date.

The fifteen percent (15%) retained funds shall be allocated amongst the deliverables at the joint meetings. Of the retained amount, a minimum of eighty percent (80%) shall be allocated to the primary deliverable(s) identified in the quarterly meeting. The remaining twenty percent (20%) shall be held and allocated through the meetings regarding secondary deliverables. If no secondary deliverables are identified, the twenty percent (20%) of the retained funds will be released and not reallocated to the primary deliverables. The retained funds, and any incentive funds, will be released upon submission of the deliverables, marked as priority, secondary, during the quarterly or monthly meeting. Retained funds shall not be held due to any failure or delay that is

related directly or indirectly to any State (including its agents and contractors) action or omission or State (including its agents and contractors) failure to meet its responsibilities, or any change in previously agreed upon deliverables.

Should there be no mutually agreed upon primary deliverable(s) for the fiscal quarter, then one half (1/2) of the quarterly withheld shall be satisfied through the secondary deliverable(s). The remaining one half (1/2) will be held until both parties work in good faith to come to agreement on objectives, deliverables and scope.

If the Contractor fails to meet the previously mutually agreed upon deliverables, the State may retain a portion of the withheld funds based upon the following schedule:

Calendar Days Late in Completing an Objective	% Forfeited
4 – 10 days	10%
11 – 20 days	20%
21 – 30 days	30%
31 – 45 days	40%
46 – 60 days	75%
61 + days	100%

The State may choose to release forfeited funds for the completion of prior quarter deliverables or the completion of current quarter deliverables.

#### C.3.8 NPI Enhancement Services

National Provider Identifier (NPI) System Enhancements compensation shall be based on the Payment Amounts detailed below (NPI System Enhancement Costs) for units of service authorized by the State. The Contractor shall submit monthly invoices, in form and substance agreed to by the State with reasonable supporting documentation necessary to verify the accuracy of the invoice, prior to any payment. Said monthly invoices shall be in an amount equal to the maximum amount per period detailed below divided by the number of calendar months in the subject period (the divisor shall be twelve (12) after the first period of service).

PERIOD OF NPI SYSTEM ENHANCEMENT	MAXIMUM AMOUNT PER PERIOD
<b>NPI Systems Enhancement</b> 1/1/2007 – 6/30/2007	\$ 2,500,000
<b>NPI Systems Enhancement</b> 7/1/2007 – 12/31/2007	\$ 2,500,000

The State shall require retention of payment in the amount equal to fifteen percent (15%) of each monthly NPI invoice. This retention of payment shall be held until the satisfaction of quarterly deliverable objective(s), with new funds accruing for each set of quarterly deliverable(s). Each quarter shall accrue a separate set of funds to be associated with a separate set of objective(s). Within forty-five (45) days of the beginning of each fiscal quarter, the State and the



Contractor shall meet and mutually agree upon the deliverable(s) and the incentives for the next quarter, or any future quarter, to receive release on that quarter's retained payment. These deliverable(s) objective(s) shall be reviewed for completion based upon the attained delivery date. The deliverable(s) will be tied to work being performed on projects prioritized by the State, and when set, reviewed as achievable based on existing and future project workload. Once set, these metrics and deliverable(s) can not be changed without mutual agreement.

The fifteen percent (15%) retained funds shall be allocated amongst the deliverables at the joint meetings. Should there be no mutually agreed upon primary deliverable(s) for the fiscal quarter, the retained funds shall be released. The retained, and any incentive, funds, shall be released upon submission of the deliverable(s). Retained funds shall not be held due to any failure or delay that is related directly or indirectly to any State (including its agents or other contractors) action or omission or State (including its agents or other contractors) failure to meet its responsibilities, or any change in previously agreed-upon deliverables.

If the Contractor fails to meet the previously mutually agreed-upon deliverables, the State may retain a portion of the withheld funds based upon the following schedule:

Calendar Days Late in Completing an Objective	% Forfeited
4 – 10 days	10%
11 – 20 days	20%
21 – 30 days	30%
31 – 45 days	40%
46 – 60 days	75%
61 + days	100%

The State may choose to release forfeited funds for the completion of prior quarter deliverables or the completion of current quarter deliverables.

### C.3.9 Production Servers Support Services

**Production Servers Support** (as described in Attachment B) compensation shall be based on the Payment Amounts detailed below (Production Server Support Costs) for units of service authorized by the State. The Contractor shall submit monthly invoices, in form and substance agreed to with the State with reasonable supporting documentation necessary to verify the accuracy of the invoice, prior to any payment. Said monthly invoices shall be in an amount equal to the maximum amount per period detailed below divided by the number of calendar months in the subject period (the divisor shall be twelve (12) after the first period of service).

Pursuant to Section E.5 of the Contract, the State may, at its convenience and without cause, exercise a partial takeover of any service which the Contractor is obligated to perform under this Contract, and any and all amendments thereto. The Contractor shall be given at least thirty (30) days prior written notice and the

date of the said assumption and the State shall be responsible for the Contractors reasonable costs in discontinuing and transferring those functions to the State.

<b>PERIOD OF PRODUCTION SERVER SUPPORT COST</b>	<b>MAXIMUM AMOUNT PER PERIOD</b>
<b>Production Server Support</b> 7/1/2004 - 6/30/2005	\$ 219,255
<b>Production Server Support</b> 7/1/2005 - 6/30/2006	\$ 232,316
<b>Production Server Support</b> 7/1/2006 - 6/30/2007	\$ 246,161
<b>Production Server Support</b> 7/1/2007 - 6/30/2008	\$ 218,537
<b>Production Server Support</b> 7/1/2008 – 12/31/2008	\$ 114, 732
<b>Production Server Support</b> 1/1/2009 – 3/31/2009	\$59,910
<b>Production Server Support</b> 4/1/2009 – 6/30/2009 – Open Period, Full Service Extension Option	\$58,425

Production Server Support Services and the associated payment methodology are not applicable during the Special Projects Extension Option period.

#### C.3.10 Non Production Server Support Services

**Non Production Server Support** (as described in Attachment B) compensation shall be based on the Payment Amounts detailed below (Non Production Server Support Costs) for units of service authorized by the State. The Contractor shall submit monthly invoices, in form and substance agreed to with the State with reasonable supporting documentation necessary to verify the accuracy of the invoice, prior to any payment. Said monthly invoices shall be in an amount equal to the maximum amount per period detailed below divided by the number of calendar months in the subject period (the divisor shall be twelve (12) after the first period of service).

<b>PERIOD OF NON PRODUCTION SERVER SUPPORT COST</b>	<b>MAXIMUM AMOUNT PER PERIOD</b>
<b>Non Production Server Support</b> 7/1/2004— 6/30/2005	\$ 387,647
<b>Non Production Server Support</b> 7/1/2005— 6/30/2006	\$ 410,755
<b>Non Production Server Support</b> 7/1/2006— 6/30/2007	\$ 435,250

<b>Non Production Server Support 7/1/2007— 6/30/2008</b>	\$ 450,135
<b>Non Production Server Support 7/1/2008— 12/31/2008</b>	\$ 236,321
<b>Non Production Server Support 1/1/2009— 3/31/2009</b>	\$ 123,396
<b>Non Production Server Support 4/1/2009— 6/30/2009 – Open Period, Full Service Extension Option</b>	\$ 120,342

Non Production Server Support Services and the associated payment methodology are not applicable during the Special Projects Extension Option period.

#### C.3.11 Suspense Processing Services

**Suspense Processing Services** (as described in Attachment B) compensation shall be based on Payment Amounts detailed below (Suspense Processing Costs) for units of service authorized by the State. The Contractor shall submit monthly invoices, in form and substance agreed to with the State with all necessary supporting documentation, prior to any payment. Said monthly invoices shall be in an amount equal to the maximum amount per period detailed below divided by the number of calendar months in the subject period (the divisor shall be twelve (12) after the first period of service).

<b>PERIOD OF SUSPENSE TRANSACTIONS</b>	<b>MAXIMUM AMOUNT PER PERIOD</b>
<b>Suspense Transactions 1/1/2007 – 6/30/2007</b>	\$ 177,600
<b>Suspense Transactions 7/1/2007 – 6/30/2008</b>	\$ 400,800
<b>Suspense Transactions 7/1/2008 – 12/31/2008</b>	\$ 184,800
<b>Suspense Transactions 1/1/2009 – 3/31/2009</b>	\$ 96,486
<b>Suspense Transactions 4/1/2009 – 6/30/2009 – Open Period, Full Service Extension Option</b>	\$ 94,107

Suspense Processing Services and the associated payment methodology are not applicable during the Special Projects Extension Option period.

#### C.3.12 Customer Service Support Services

**Customer Service Support** (as described in Attachment B) compensation shall be based on the Payment Amounts detailed below (Customer Service Support Costs) for units of service authorized by the State. The Contractor shall submit monthly invoices, in form and substance agreed to with the State with reasonable supporting documentation necessary to verify the accuracy of the invoice, prior to any payment. Said monthly invoices shall be in an amount equal to the maximum amount per period detailed below divided by the number of calendar months in the subject period (the divisor shall be twelve (12) after the first period of service).

<b>PERIOD OF CUSTOMER SERVICE SUPPORT COST</b>	<b>MAXIMUM AMOUNT PER PERIOD</b>
<b>Customer Service Support</b> 1/1/2007 – 6/30/2007	\$ 166,200
<b>Customer Service Support</b> 7/1/2007—6/30/2008	\$ 349,200
<b>Customer Service Support</b> 7/1/2008—12/30/2008	\$ 183,330
<b>Customer Service Support</b> 1/1/2009 – 3/31/2009	\$ 95,709
<b>Customer Service Support</b> 4/1/2009 – 6/30/2009 – Open Period, Full Service Extension Option	\$ 93,357

Customer Service Support Services and the associated payment methodology are not applicable during the Special Projects Extension Option period.

### C.3.13 Special Projects Staffing Services

**Special Projects Staffing** (as described in Attachment B) compensation shall be based on the Payment Amounts detailed below for units of service authorized by the State. The Contractor shall submit monthly invoices, in form and substance agreed to with the State with reasonable supporting documentation necessary to verify the accuracy of the invoice, prior to any payment. Monthly invoices shall be in an amount equal to the maximum amount per period detailed in the Systems Increased Staff below, multiplied by the percentage of the total contract period hours provided during the month as detailed in Section B.8.2 of the Contract.

If the State elects to exercise the Special Projects Option period, the State shall compensate the Contractor for Special Project work based on a \$97.99 hourly rate multiplied by the volume of hours worked. The Contractor shall submit monthly invoices, in form and substance agreed to with the State with reasonable supporting documentation necessary to verify the accuracy of the invoice, prior to any payment. Such invoices shall, at a minimum, include the name of each individual, the individual's job title, the number of hours worked during the period, the applicable Payment Rate, the total compensation requested for the individual, and the total amount due the Contractor for the period invoiced.

Special Project Travel: The Contractor shall not be compensated for travel time to the primary location of service provision. However, the State agrees to reimburse the Contractor for travel expenses relating to Special Projects as defined by the State. Compensation for travel expenses shall be in accordance with C.4 of the Contract, and any and all amendments thereto. The State shall compensate the Contractor for Project travel based on the current state travel guidelines. The Contractor shall submit monthly invoices, in form and substance agreed to with the State with reasonable supporting documentation necessary to verify the accuracy of the invoice, prior to any payment. Such invoices shall, at a minimum, include the name of each individual, the date of the expense, the nature of the expense and the total amount due the Contractor for the period invoiced.

<b>PERIOD OF SPECIAL PROJECTS STAFF COSTS</b>	<b>MAXIMUM AMOUNT PER PERIOD</b>
<b>Special Projects Staffing</b> 1/1/2008 – 12/31/2008	\$ 3,135,680
<b>Special Projects Staffing</b> 1/1/2009 – 3/31/2009	\$ 832,915
<b>Special Projects Staffing</b> 4/1/2009 – 6/30/2009 – Open Period, Full Service Extension Option	\$832,915
<b>Systems Team Support</b> Open Period, Special Projects Option	NA (hourly rate applies)

#### C.3.14 Excess Operations Transaction Services

**Excess Operations Transactions** (further defined in Section A.7 of this Contract) compensation shall be based on the Payment Amounts detailed below for any transaction units in excess of the contracted thresholds, as authorized by the State. Each threshold will be treated independently with no compensation or deduction for volumes that fall below the threshold. The Contractor shall submit invoices no more often than quarterly (invoices for excess ballots shall be submitted annually), in form and substance agreed to with the State with reasonable supporting documentation necessary to verify the accuracy of the invoice, prior to any payment. Such invoices shall be submitted for completed units of service for the amount stipulated.

TRANSACTION TYPE	FIXED FEE PER TRANSACTION								
	Start- 6/30/2003	7/1/2003- 6/30/2004	7/1/2004- 6/30/2005	7/1/2005- 6/30/2006	7/1/2006- 12/31/2006	1/1/2007- 6/30/2007	7/1/2007- 6/30/2008	7/1/2008- 3/31/2009	1/1/2009- 3/31/2009 Open Period, Full Service
Claim Transactions	\$0.614	\$0.647	\$0.681	\$0.717	\$0.755	\$0.789	\$0.789	\$0.828	\$0.828
Encounter Transactions	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Letters	\$0.219	\$0.231	\$0.239	\$0.249	\$0.258	\$0.268	\$0.268	\$0.281	\$0.281
Daniels Letters	\$0.121	\$0.127	\$0.134	\$0.139	\$0.144	\$0.150	\$0.150	\$0.158	\$0.158
Premium Statements/Bills	\$0.148	\$0.156	\$0.165	\$0.172	\$0.179	\$0.186	\$0.186	\$0.195	\$0.195
Suspense Transactions	NA	NA	NA	NA	NA	\$0.8433	\$0.9516	\$0.8775	\$0.8775
Ballots	\$0.066	\$0.069	\$0.073	\$0.077	\$0.081	\$0.085	\$0.085	\$0.089	\$0.089

Excess Operations Transaction Services and the associated payment methodology are not applicable during the Special Projects Extension Option period.

**5. Amend Section E.2 of the Contract by deleting and substituting the Parties' contact information as follows:**

**The State:**

Commissioner, Bureau of TennCare  
Department of Finance and Administration  
Brent Antony  
Chief Information Officer  
310 Great Circle Road  
Nashville, TN 37229  
Telephone Number (615) 507-6339  
Facsimile Number (615) 253-5995

**The Contractor**

Electronic Data Systems, LLC  
Dennis Vaughan  
Client Delivery Executive  
310 Great Circle Road  
Nashville, TN 37229  
Telephone Number (615) 507-6124  
Facsimile Number (615) 741-0125

6. **Amend Section B.7.2.w to Attachment B of the Contract by deleting it in its entirety and substituting with the following:**

1. **Special Project Support:**

There will be new projects that do not fall within normal change requests categories. These are typically large projects such as the recent Reform initiative where the level of effort is significant and the duration is extended. These projects will not go through the normal change process and will be staffed and managed through dedicated resources, using the billable rates defined in the Contract, and any and all amendments thereto.

2. **Special Project Criteria:**

Projects or support that meet one or more of the criteria below are candidates for Special Projects designation:

- a. The requirements of the project are such that they cannot be performed using the existing staff or skill sets.
- b. The duration of the project is extended. The State concludes that if the expected duration of this project is to extend beyond six (6) months, this be categorized as a Special Project.
- c. The number of resources is expected to be considerable. The State concludes that if the expected staffing for a change is more than five (5) dedicated resources, then the project be considered a Special Project.
- d. The project is of such complexity that a dedicated Project Manager is required.
- e. The support occurs during the Special Projects Option period

3. **Special Project Designation:**

Projects with Special Projects designation include the following:

- a. Vision Integration Platform (VIP), effective January 1, 2008
- b. Turnover, effective April 1, 2008 (note: Special Project designation applies to Turnover Project Manager only)
- c. Others as mutually agreed upon by the Parties and documented by Control Letter

4. **Special Project Resource Planning**

The Contractor will work with the State to forecast and monitor the total hours resource estimate for Special Projects. If further projects become designated as

Special Project, the Contractor will work with the State to perform an estimate and procure the additional funding approval, as appropriate.

**7. Add Section B.7.2.z to Attachment B to read as follows:**

Customer Service Processing – The Contractor shall be required to complete the following steps:

1. Within the customer service/provider relations department, the Contractor would employ one (1) Customer Service/Provider Relations Team Leader, one (1) Adjudication and Training Coordinator and three (3) full time customer service representatives. This staffing level assumes that each Level 2 representative is able to respond to eight to ten calls per day with, at a minimum, a call back to provide a status of the issue. This status may be that the problem is fixed, the resolution has been identified and will be completed within a certain timeframe, or the Contractor is awaiting direction from the State on which action is necessary. This staffing level shall be evaluated by the Contractor and the State on a quarterly basis to ensure there is adequate staff to meet the call volumes.
2. The Contractor shall be responsible for the following specific start up activities during the initial implementation (the three (3) months following the execution of Amendment Six):
  - a. Develop procedures for escalation of issues.
  - b. Establish appropriate State review, approval and sign-off of escalation procedures.
  - c. Establish preliminary production standards for response which will be adjusted as experience is gained and standards are validated.
  - d. Identify and hire staff based on ongoing call level projections – one (1) customer service representation for every forty (40) calls per week.
  - e. Develop training for the staff to include escalation points for each level.
  - f. Establish facility and infrastructure requirements to accommodate a customer service/provider relations unit.
  - g. Develop reporting of call escalation and resolution metrics for monthly status reporting to the Bureau Business Owner.
  - h. Assist the State with development of a provider manual.
  - i. Develop training materials for providers for submission of crossover claims.
3. The Contractor will be responsible for the following specific ongoing activities during the operations period (October 2006 through end of extension year):



- a. Ensure calls are responded to and resolved within timeframes established between the Contractor and the State.
- b. Serve as a liaison between the State, the Contractor, TPW and the provider, and facilitate weekly business user meetings to include the State, TPW and the Contractor.
- c. Identify and communicate systemic problems to the Contractor's management and the State and assist with resolution.
- d. Participate in change management activities to ensure procedures and processes are updated when system or policy changes are implemented.
- e. Provide regular reporting of status to Bureau Business User organization.

4. Customer Service Processing Performance Standard

The Contractor shall respond to Level 2 requests for support within the stated guideline on at least ninety-nine percent (99%) of the requests. Response is defined as a contact with the user via, in person visit, telephone conversation, voicemail message, or email. Response times are:

Level	Response Time in business hours
2	24 hours
3	4 hours

Upon notice of a deficiency by the State, the Contractor shall propose a Corrective Action Plan (CAP) to remedy said deficiency. If the Contractor fails to complete the mutually agreed upon CAP, liquidated damages may be assessed at a rate of ten dollars (\$10.00) per request for each request not responded to within the 99% % threshold within the Level 1 and Level 2 categories up to a maximum of five hundred dollars (\$500) per month.

8. Delete Section B.7.2.aa to Attachment B .

9. Amend Section B.8.2 of Attachment B by deleting it in its entirety and substituting with the following:

**B.8.2 Modification and Enhancement Staff**

The Contractor shall be required to provide and maintain a modification and enhancement staff to perform the system modifications and enhancements of the TCMIS. The Contractor shall ensure that all staff have the necessary technical background, education, and skills to perform in the various environments necessary to support the

TCMIS. TennCare has the right to disapprove a staff person if it deems that person not qualified.

The Contractor will provide a monthly report of time spent by job category for Information Analysts, Business Services Analysts and Project Managers. This time includes all time with the exception of Holidays, Vacations, and Sick time. Based upon the Contractor's staffing levels the minimum number hours are:

Period: January 1, 2007 through June 30, 2007

Job Category	Base Hours	Increased Systems Hours	Total Hours
Information Analyst	12,390	34,515	46,905
Business Services Analyst	4,425	8,850	13,275
Project Manager	N/A	5,310	5,310
<b>Total Contract Period Hours</b>			<b>65,490</b>

Period: July 1, 2007 through June 30, 2008

Job Category	Base Hours	Increased Systems Hours	Total Hours
Information Analyst	24,780	69,030	93,810
Business Services Analyst	8,850	17,700	26,550
Project Manager	N/A	10,620	10,620
<b>Total Contract Period Hours</b>			<b>130,980</b>

Period: July 1, 2008 through December 31, 2008

Job Category	Base Hours	Increased Systems Hours	Total Hours
Information Analyst	12,390	33,956	46,346
Business Services Analyst	4,425	14,418	18,843
Project Manager	N/A	4,867	4,867
<b>Total Contract Period Hours</b>			<b>70,056</b>

Period: January 1, 2009 through March 31, 2009

Job Category	Base Hours	Increased Systems Hours	Total Hours
Information Analyst	6,195	19,133	25,328
Business Services Analyst	2,213	8,124	10,337

Project Manager	N/A	2,743	2,743
<b>Total Contract Period Hours</b>			<b>38,408</b>

Period: April 1, 2009 through June 30, 2009 – Open Period, Full Service Extension Option

Job Category	Base Hours	Increased Systems Hours	Total Hours
Information Analyst	6,195	19,133	25,328
Business Services Analyst	2,213	8,124	10,337
Project Manager	N/A	2,743	2,743
<b>Total Contract Period Hours</b>			<b>38,408</b>

Period: April 1, 2009 through December 31, 2009 – Open Period, Special Projects Extension Option: Total Contract Period Hours are not applicable.

Team Leaders (TL) and the rest of the Project Management Office (PMO) time including the work planner, release coordinator, change management coordinator, project analyst, and clerk will not be applied to the minimum hours above.

Any enhancement that requires services outside of the existing staff shall be considered a Special Project and will be funded and managed separately from the existing staffing and the existing processes.

10. **Amend Attachment B by renumbering B.8.3.a National Provider Identifier (NPI) Enhancement Staff to be B.8.2.a National Provider Identifier (NPI) Enhancement Staff.**

11. **Add Section B.8.2.b of Attachment B to read as follows:**

**B.8.2.b Special Projects Staff**

Special Projects are identified by mutual agreement of the Parties and include the following:

- VIP, effective January 1, 2008
- Turnover Project Manager, effective April 1, 2008
- Others mutually agreed upon by the Parties, as confirmed by Control Letter

Any enhancement that requires services outside of the existing staff shall be considered a Special Project. The Contractor shall ensure that all staff have the necessary technical background, education, and skills to perform in the various environments necessary to support the TCMIS Contractor requirements. TennCare has the right to disapprove a staff person if it reasonably deems that person not qualified.

The Contractor will provide a monthly report of time spent by job category for Information Analysts, Business Services Analysts and Project Managers. This time includes all time with the exception of Contractor Holidays, Vacations, and Sick time. Based upon the Contractor's staffing levels the maximum number of hours are:

	1/1/2008 – 12/31/2008	1/1/2009 – 3/31/2009	4/1/2009 to 6/30/2009 Open Period, Full Service Extension Option
<b>Total Contract Period Hours</b>	<b>32,000</b>	<b>8,500</b>	<b>NA (No Maximum Applies)</b>

The Total Contract Period Hours and the Maximum Amount Per Period is based on the following job categories and estimated distribution. Special Projects are not restricted to these job categories or to this particular distribution.

Job Category	Estimated % of Total Hours
Information Specialist	16%
Information Analyst	48%
Business Services Analyst, Advanced	4%
Business Services Analyst	21%
Project Manager	5%
Project Analyst, Senior	6%

If the State elects to exercise the April 1, 2009 to December 31, 2009 Special Projects Option, all Contractor staff supporting the State during this period shall be designated as Special Project staff and be billed at the Special Project rate, including leadership and administrative resources needed to support the requested staffing level.

The revisions set forth herein shall be effective October 15, 2008. All other terms and conditions not expressly amended herein shall remain in full force and effect.

**IN WITNESS WHEREOF:**

**ELECTRONIC DATA SYSTEMS, LLC**

**(As successor in interest to Electronic Data Systems Corporation and EDS Information Services, L.L.C.):**

---

**Barbara Anderson**

**Date**

---

**DEPARTMENT OF FINANCE AND ADMINISTRATION:**

---

**M.D. Goetz, Jr., Commissioner**

**Date**

---

**APPROVED:**

**DEPARTMENT OF FINANCE AND ADMINISTRATION:**

---

**M.D. Goetz, Jr., Commissioner**

**Date**

---

**COMPTROLLER OF THE TREASURY:**

---

**John G. Morgan, Comptroller of the Treasury**

**Date**

---